

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113
Sacramento, CA

Minutes of Meeting
April 13, 2006

COMMISSIONERS PRESENT

Cathie Bennett Warner
Michele Burton, M.P.H.
Vicki Marti
Nancy E. McFadden

CMAC STAFF PRESENT

Keith Berger, Executive Director
Paul Cerles
Denise DeTrano
Holland Golec
Cecilia Lacoste
Ina Pewitt
Steve Soto
Michael Tagupa
Karen Thalhammer

COMMISSIONERS ABSENT

Diane M. Griffiths
Teresa P. Hughes

EX-OFFICIO MEMBERS PRESENT

Nathan Stanley, Department of Finance
Toby Douglas, Department of Health Services

I. Call to Order

The April 13, 2006 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Commissioner Cathie Bennett Warner. A quorum was present.

II. Approval of Minutes

The March 23, 2006 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Keith Berger, Executive Director, reported that the Senate and Assembly subcommittees would be conducting initial budget hearings for Fiscal Year 2006-07 during the next couple of weeks. Mr. Berger indicated that he would update Commissioners on any CMAC related issues discussed at these budget hearings. The only issue he is aware of is the additional Senior Negotiator position that was requested to help with the workload generated by the Medi-Cal Managed Care expansion effort. The Legislative Analyst's Office (LAO) recommended the position be addressed in future years when there is more expansion taking place.

Mr. Berger updated the Commission on the Distressed Hospital Fund (DHF). A letter and schedule were sent to all contracting hospitals requesting documentation outlining how they meet the eligibility criteria and a description of what their needs are for additional funds. Over 80 proposals were received, which are currently being reviewed by CMAC staff and will be discussed with Commissioners in upcoming meetings. Hospitals were made aware that limited funds are available, between \$25 and \$26 million, and will be allocated to a small number of facilities, depending on where these funds are most needed and can have the greatest impact on access to services for Medi-Cal beneficiaries.

Commissioner McFadden inquired about the possibility of sending a letter updating Legislative members on the status of the DHF. In response, Mr. Berger indicated that he would work with the Commissioner to prepare the letter for signature by all CMAC Commissioners.

Mr. Berger reported that CMAC staff has been working diligently to finalize negotiations and prepare recommended amendments for the Private Hospital and the Nondesignated Public (District) Hospital Supplemental Funds for action by the Commission at the April 27, 2006 meeting.

Continuing his report, Mr. Berger stated that there were nine amendments and new contracts for Commission action in closed session at this meeting, as well as various updates and further discussions relating to current negotiations and negotiation strategies.

Mr. Berger concluded his report by informing the Commissioners of a California Healthcare Foundation briefing event on the afternoon of April 27, 2006 to discuss realistic options for coverage expansion developed by the Institute for Health Policy Solutions and RAND Corporation.

IV. Department of Health Services (DHS) Report

Toby Douglas, Assistant Deputy Director, Medical Care Services, DHS, provided an update on the hospital financing waiver. He reported that DHS staff had resubmitted the three State Plan Amendments (SPA) discussed at the last meeting to the Centers for Medicare & Medicaid Services (CMS). These amendments would include the following: new inpatient per diem rate for public hospitals, modifications to the Disproportionate Share Hospital (DSH) program, and supplemental reimbursements for physicians, interns and residents and non-physician practitioners.

Mr. Douglas stated that to date DHS has yet to receive any feedback from CMS regarding the SPAs. He anticipates a prompt review and approval process. DHS staff is currently developing a process to implement timely payments to hospitals once the SPA's are approved by CMS.

Mr. Douglas also indicated that the DHS staff is working with the Legislative staff and the Disproportionate Share Hospital Taskforce to prepare technical clean-up amendments to the statutes that implemented the hospital financing waiver (previously known as SB 1100).

In regard to the coverage initiative component of the hospital financing waiver, Mr. Douglas referenced Senator Kuehl's SB 1448, which directs DHS to choose three counties to develop local coverage initiatives using public expenditures.

Concluding his report, Mr. Douglas recapped the scheduled budget hearings as previously mentioned. He stated that the meetings would focus on managed care issues, implementation of hospital financing, and implementing new terms and conditions of the waiver.

V. New Business/Public Comments/Adjournment

There being no further new business and no comments from the public, Commissioner Bennett Warner recessed the open session. Commissioner Bennett Warner opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Commissioner Bennett Warner announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.